



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

QUARTERLY JOURNAL
OF THE
STATISTICAL SOCIETY.

DECEMBER, 1854.

The Laws of the Currency, as exemplified in the Circulation of Country Bank Notes in England, since the passing of the Act of 1844. By J. W. GILBART, F.R.S.

[Read before the Statistical Section of the British Association for the Advancement of Science, at Liverpool, 22nd September, 1854.]

It is a gratifying circumstance that questions relating to the currency are no longer connected with party politics, but are now regarded as presenting topics for scientific investigation; and we believe that by no science can they be more clearly and successfully investigated than by the science of statistics.

Our inquiries in this paper will be limited to that portion of our currency which consists of notes issued by country bankers, and we shall consider them chiefly in reference to those fluctuations in the amount of their circulation, which have occurred since the passing of the Act of 1844.

1. Country bank notes were originally called Goldsmiths' notes, similar notes having been first issued by the goldsmiths of London.

"That part of the business of banking which consists in the borrowing of money, with a view of lending it again at a higher rate of interest, does not appear to have been carried on by bankers until the year 1645, when a new era occurred in the history of banking. The goldsmiths, who were previously only money-changers, now became also money-lenders. They became also money-borrowers, and allowed interest on the sums they borrowed. They were agents for receiving rents. They lent money to the king on the security of the taxes. The receipts they issued for the money lodged at their houses circulated from hand to hand, and were known by the name of 'Goldsmiths' notes.' These may be considered as the first kind of bank notes issued in England.

"When our merchants became enriched by commerce, they wished for a place of security in which they might deposit their wealth. Hence they usually sent their money to the mint in the Tower of London, which became a sort of bank. The merchants left their money here when they had no occasion for it, and drew it out as they wanted it. But in 1640, King Charles I. took possession of 200,000*l.* of the merchants' money that had been lodged in the

mint, and from that period the merchants kept their money in their own houses, under the care of their servants and apprentices. On the breaking out of the civil war between Charles I. and the Parliament, it became very customary for the apprentices to rob their masters, and then run away and join the army. As the merchants could now place no confidence either in the public authorities or in their own servants, they were under the necessity of employing bankers. These bankers were the goldsmiths.”*

“ Amid the troubles of those times, when public trust was shaken, Money for safer custody was to the Goldsmiths’ taken.”†

Bank notes are frequently referred to in our Acts of Parliament, as “ Bankers’ or Goldsmiths’ notes.”—In the Act of 1704, which removed all “ doubts ” as to their legality, they are mentioned as “ notes made and signed by any person or persons, body public or corporate, or by the servant or agent of any corporation, banker, goldsmith, merchant, or trader.” Even the notes issued in Ireland were called goldsmiths’ notes. By an Act of the Irish Parliament passed in 1709, “ notes issued by any banker, goldsmith, merchant, or trader, whether payable to order or bearer, were rendered assignable and indorsable over as inland bills of exchange.” And in 1729, the forgery of bills of exchange, goldsmiths’, or bankers’ notes, above the value of 5*l.* was declared felony, and the felon was to be burnt in the hand or transported at the pleasure of the Court.

After the establishment of the Bank of England in the year 1694, the notes of that corporation superseded the goldsmiths’. The business of banking, too, became gradually separated from that of a goldsmith, though we learn from a speech delivered in Parliament, in the year 1746, that most of the London bankers were at that time members of the Goldsmiths’ Company.

2. I am not aware that we have any authentic details of the rise and progress of country banking in England. It is generally understood that very few country banks existed previous to the American war—that they rapidly increased after the termination of that war—that they received a severe check in the year 1793, when twenty-two became bankrupt, and that they increased with wonderful rapidity after the passing of the Bank Restriction Act. Since the year 1808, every bank that issues notes has been compelled to take out an annual licence‡—and since 1804, the notes have been subject to a stamp duty. This duty was increased in 1808, and again in 1815.§

In the year 1775, bankers were prohibited by Act of Parliament, to issue notes of a less amount than 20*s.* And in 1777, they were prohibited to issue notes of a less amount than 5*l.* But after the passing of the Bank Restriction Act in 1797, the last restriction was removed, and the country banks commenced issuing notes of 1*l.* and 2*l.* And in 1822, the permission to issue such notes was continued until the expiration of the Bank Charter in 1833. But after the memorable panic of 1825, the government refused to issue any more stamps for notes under 5*l.*, and it was enacted that all such notes

* The “ History and Principles of Banking,” p. 21.

† Brewer’s “ Poetical Chronology.”

‡ See Table I.

§ See Table II.

already stamped should cease to be issued by the bankers after the year 1829.

The speculations that preceded the panic of 1825, were attributed by the government of the day, to a wild spirit of speculation fostered by the country banks. To guard against the recurrence of similar evils, not only were notes under 5*l.* abolished, but two other measures were introduced. Banks of issue consisting of more than six partners, were permitted to be formed at greater distance than sixty-five miles from London; and the Bank of England was induced to open branches in the provinces.

3. And here it will be proper to notice a peculiarity in the county of Lancaster, and particularly in Manchester and Liverpool. In these places there were no country notes, and but a small proportion of Bank of England notes. The circulation consisted mainly of bills of exchange, which passed from hand to hand like bank notes, having the endorsement of all the parties through whose hands they had passed. In Liverpool large notes were required to pay the duties at the Custom House; and in Manchester small notes were required to pay wages. These were obtained from the Bank of England in London: but the transactions between manufacturers and dealers were transacted by bills of exchange, and as these bills were all made payable in London, bank notes were not required in Manchester or Liverpool, even for the payment of these bills.

4. The measures adopted by the legislature in the year 1826, led to the establishment of branches of the Bank of England in Manchester and Liverpool. From this period the circulation of bills of exchange declined, and was superseded by Bank of England notes. This was accelerated by the circumstance that the joint-stock banks formed in these places did not issue their own notes, but those of the Bank of England. This establishment had offered to discount for the joint-stock banks at one per cent. less than they charged to the public, and the joint-stock banks thought it more for their interest to obtain the notes of the Bank of England on these terms, than to issue notes of their own. The circulation of the country now consisted of notes of the branches of the Bank of England, notes of the joint-stock banks, and notes of the private bankers; and as many of the weak private banks had ceased to exist, and as others had merged into joint-stock banks, and as all notes under 5*l.* were abolished, it was supposed that the country had now obtained the advantage of a secure circulation.

5. But in the latter end of the year 1836 another panic arrived, when it was discovered that the country circulation was again at fault. But the charge now was, not that it was unsafe, but that it was excessive; and this charge of having issued to excess was more especially directed against the joint-stock banks.

Here it may be observed that in the panic of 1825, the amount of country notes in circulation was unknown. No returns at that time were made to the government, and the amount of notes in circulation could only be calculated, and that very imperfectly, from the number of stamps, of different denominations, issued from the Stamp Office.* But in the year 1833, the Chancellor of the Exchequer

* See Tables III. and IV.

(Lord Althorp) obtained an Act (3 & 4 William IV. c. 83), which required all banks issuing promissory notes, to make returns to the Stamp Office of the average amounts of notes in circulation in the quarters ending the first day of January, April, July, and October, in each year. The quarterly average was to be formed from the amount in circulation at the end of each week. These quarterly returns were afterwards published in the *London Gazette*.*

From these returns it was evident that the country circulation had increased by the beginning of the year 1836,† and as a general spirit of speculation prevailed at the same time, it was inferred that the country circulation was the cause of this speculation; and as by the end of the year the speculations had ended in panic, the country circulation was the cause of this panic.

6. Another panic occurred at the end of the year 1839; and here again, blame was cast on the country notes. But the complaint now was not that the country circulation was unsafe or excessive, but that it was ill-regulated. An opinion had been adopted by some distinguished Political Economists that the country circulation, as well as that of the Bank of England, ought to correspond at all times with the amount of gold in the Bank of England. It is true that the circulation of the Bank of England did not fluctuate in exact accordance with this amount of gold. But the country circulation did not correspond even with that of the Bank of England. And as the fluctuations in the country circulation did not correspond with the fluctuations either of the gold of the Bank of England or with the notes of the Bank of England, it was assumed that the country circulation was ill-regulated; and being ill-regulated it was assumed to be the cause, or at least one cause, of the panic that occurred at the end of the year 1839.

To examine into the truth of these opinions, a Committee of the House of Commons was appointed in the year 1840, to consider the state of the law with reference to Banks of Issue. The Committee examined witnesses during the sessions of 1840 and 1841; but the only practical result was that an Act was passed requiring weekly returns of their circulation from every bank of issue.‡

7. Before proceeding farther it may be fair to state the replies which the country bankers at various times gave to these severe accusations.

In reply to the charge that the currency was unsafe, from the number of failures which occurred among the country banks of issue; they state in their memorial to Earl Grey, in the year 1833, "the number of London bankers that have failed, is believed to be relatively greater, and the amount of their debts relatively larger, than that of country banks."

In reply to the charge that they had by an excessive issue of their notes promoted speculation, they state:—

"All experience shows that great fluctuations have originated in the speculations of influential merchants, and never originated in the channels to which the issues of country bankers are confined; their source is in great mercantile cities, and they are promoted by the

* See Table V.

† See Table V.

‡ 4 & 5 Victoria, cap. 50.

issues of the Bank of England. That this is the invariable course which fluctuations resulting in excess and derangement take, is proved by the evidence of Mr. Ward and others, before the Bank Charter Committee, and is fully explained by the speeches of the King's Ministers in the year 1826. The debts of a few speculative merchants who failed in a single year in the town of Liverpool, where country bankers' notes never circulated, amounted to between seven and eight millions sterling, and their bills were either lodged in the Bank of England for loans, or were current in all parts of the country, stimulating circulation and promoting excess."

In reply to the charge that they had turned the foreign exchanges against this country, they reply:—

"Your memorialists are prepared to prove that the issues of country bankers have less tendency to promote fluctuations in the country than those of the Bank of England; and that their effect in throwing the exchanges against the country is comparatively insignificant. The slightest attention to facts would indicate the truth of these positions. It has been established by parliamentary evidence that the issues of country bankers fluctuated much less between the years 1817 and 1826 than those of the Bank of England; and it is indisputable that adverse exchanges, which endanger the Bank, always succeed great importations of foreign produce, and that they never can be occasioned by large exportations of domestic productions. Now it is notorious that the circulation of country bankers acts almost exclusively in promoting these productions: and that, when it is in an extended state, the direct and proper influence even of an alleged excess of that circulation, would be to provide the means of paying for the importations of foreign produce without causing so great an export of gold as to derange and endanger the monetary system of the country."

In reply to the charge that they had not governed their issues of notes by the foreign exchanges; they reply that such a system is not applicable to the nature of a local circulation:—

"Then, with respect to miners and manufacturers, any system which would bring them into immediate contact with the operation of the bank for regulating the foreign exchanges without that protection and defence from those convulsive changes which the local circulations afford, would be a system pregnant with indescribable hazard."*

8. Such was the state of the currency question when the late Sir Robert Peel came into office in the year 1841. The Charter of the Bank of England was subject to renewal in the year 1844, and in that year was passed an Act of Parliament "to regulate the issue of bank notes, and for giving to the Governor and Company of the Bank of England certain privileges for a limited period."†

The charges against the country circulation had been, that it was unsafe, excessive, and ill-regulated. The act of 1844 dealt chiefly with the second of these accusations.

According to the provisions of this act, no new bank of issue was permitted to be established in the United Kingdom, and the maximum

* See "The History and Principles of Banking," section on Country Bankers.

† 7 & 8 Victoria, cap. 32.

amount of notes which each existing bank of issue in England might issue upon an average of four weeks, should, after the 10th October, 1844, be the average amount of the notes in circulation during the twelve weeks ending the 27th April, 1844: that returns should be made to Government of the average amount of notes in circulation during each week, and if, upon an average of four weeks, the amount in circulation exceeded the authorized amount, the bank should be subject to a penalty equal to the amount of that excess. That if any existing bank, not having more than six partners, should increase the number of partners to more than six, it should lose the privilege of issue. That if any two banks should unite, so as to increase their number beyond six, they shall lose the right of issue. And if any banker shall become bankrupt, or cease to carry on the business of a banker, or cease to issue notes, it shall not be lawful for such banker at any time thereafter to issue any such notes.

The charge of being unsafe the Act did not meddle with, except so far as limiting the issues of each bank, and prohibiting any new bank of issue, may be regarded as elements of safety. But the Act of 1844 left the country circulation still unregulated by the amount of gold in the Bank of England. In the month of October, 1844, when the Act came into operation, the amount of gold in the Bank of England was 12,149,367*l*. On the 23rd of October, 1847, the amount of gold was 6,745,354*l*., but the law required no corresponding reduction in the amount of the country circulation. On the 10th of July, 1852, the gold had advanced to 21,845,390*l*., but the law permitted the country circulation no corresponding expansion. It does not, therefore, appear to have been the object of the Act, that the country bankers should regulate their issues by the amount of gold in the Bank of England,

9. The maximum was the average of the twelve weeks ending April, 27, 1844, but there seems to be no reason why this period should have been chosen. Sir Robert Peel originally proposed that the maximum should be the average of the previous two years. The private bankers asked for the average of the previous five years. The joint-stock banks asked for the *maximum* of the two years, contending, that if an average were made a maximum, the circulation would be still farther reduced. Sir Robert Peel ultimately determined on the average of the twelve weeks previous to the announcement of the measures to Parliament: the respective amounts are as follows:—

	Private Banks.	Joint-Stock Banks.
	£	£
Average of the two years....	4,916,494	3,061,562
Average of the five years....	5,761,792	3,485,329
Maximum of the two years	5,295,239	3,752,867
Average of the twelve weeks as ultimately certified	5,153,407	3,495,446

The Private Banks were 205, and the Joint-Stock Banks 72.

The following are the average amounts of the country circulation during the previous five years:—

	£		£
1839.....	11,715,527	1842.....	8,249,052
1840.....	10,457,057	1843.....	7,667,916
1841.....	9,671,643		

This decline was attributed by the country banks to the dulness of trade, the low price of corn, and other temporary causes. But, doubtless, there were also other causes of a more permanent description. Some country banks had withdrawn their circulation, and issued the notes of the Bank of England, in consequence of advantageous proposals from that establishment. The increased facilities of travelling by railway, and other means, had tended to diminish the amount of notes in circulation, by causing them to be returned to the bankers more rapidly for payment. The uniform penny post commenced in January, 1840, and the registry of letters in July, 1841, and these enabled every country banker to send off to London every night the notes of other bankers he had received during the day, and thus the circulation was reduced. The practice of keeping banking accounts had also extended very much, so that instead of carrying notes in their pockets as formerly, people now lodged their notes with their banker, and made their payments by giving cheques on the bank.

From these causes it seems probable that the actual issue of the country banks would not have regained its former amount, even if the Act of 1844 had never been passed. The Act, however, had the necessary effect to render the actual circulation less than even the authorised issue. If you apply a maximum to a fluctuating circulation, the average amount must be less than the maximum. If in April, when the circulation is at its highest, the amount is less than the maximum, it will fall still lower in August. The maximum, too, was divided among many banks; each banker was obliged to keep below his share of the maximum, and when all these short-comings are added together they amount to a considerable sum. The penalty too, was so great—equal for every offence to the amount of the excess—that prudent bankers kept their circulation much below their maximum, in order to avoid the chance of incurring these heavy penalties.

10. There are several circumstances which show that in some instances the Act was felt to be a restriction. Attempts have been made to evade its provisions. The first occurred when Sir Charles Wood was Chancellor of the Exchequer, and he issued a circular letter to the country bankers stating, that, if such attempts should be continued he would introduce a more stringent measure. The second took place last year. When the Act was passed authorizing cheques to be drawn beyond fifteen miles upon a penny stamp, some banks issued on a penny stamp cheques which in form resembled bank-notes. The Stamp Act just passed prohibits this practice.

We have observed, too, in reference to individual banks, that in the returns, the fourth week is often less than the three preceding weeks. The average is taken every four weeks. If a banker finds that in the first three weeks he has exceeded his limit, he stops his own issues and sends to London for a supply of 5*l.* and 10*l.* Bank of England notes. Even this may not be sufficient, and then he sends his clerks round to all the neighbouring banks asking, "Have you

got any of our notes? If you have, we wish to pay them immediately, in order to keep down our average." Thus in some instances the country circulation has become in one sense a *regulated* currency. It is so regulated that in every fourth week the amount is less than in either of the three preceding weeks. Another circumstance which shows that the Act is felt to be a restriction is, that some joint-stock banks do not issue notes at all their branches. They issue to their authorized amount at a portion of their establishments, and at the rest they issue the notes of the Bank of England.

A further symptom of the inadequacy of the country circulation, is the increased circulation of the branches of the Bank of England. In 1836, when the country circulation was 11,700,000*l.*, the branch circulation was 3,500,000*l.* In the year 1846, the country circulation was only 7,700,000*l.*, and the branch circulation had increased to 6,500,000*l.**

11. At the same time we believe that much of the restriction that would otherwise have been felt, has been prevented by a cause to which we have already referred, the extension of the Deposit System of Banking. Formerly, to keep a banker was the privilege of a few; now it is the practice of the many. It is easy to perceive how this operates. If all the notes in a town are lodged with the bankers, and the depositors make their payments by cheques, notes are not required; the payment is made by a transfer from one account to another. If the two parties keep accounts with different bankers the effect is the same; for the country bankers make their exchanges with each other daily or weekly, and pay the difference by an order on their London agent. This order again is passed through the clearing, and the differences between the clearing bankers are paid by a draft on the bank of England. It is thus theoretically possible, that all the monetary transactions of a country may be settled by a system of transfers; and it is practically the fact, that a large proportion of them are so settled; and this amount has, of late years, largely increased, and is still increasing. We have no published accounts of the amount of deposits in the country banks, but we have of the joint-stock banks of London. The oldest of these banks has been established only twenty years, yet their united deposits in London are now above 22,000,000*l.*, while, during the same period, the private deposits of the Bank of England have increased from 5,000,000*l.* to 12,000,000*l.*† It cannot be supposed that all these deposits have been withdrawn from the private bankers. These large deposits are owing, I think, to the greater number of persons who now keep accounts with bankers, increased, no doubt, in recent years by the increasing wealth and prosperity of the country; and though I have not the returns necessary to prove it statistically, I believe that similar operations are taking place throughout the country; and that the prosperity of joint-stock banks has not in this respect caused any corresponding decline among the private banks.‡

12. I shall now proceed to notice those fluctuations that have

* See Table VI.

† See Table VII.

‡ The recent admission of the joint-stock banks into the clearing-house, and the practice of settling the clearance balances by cheques on the Bank of England, will still further economize the use of Bank notes.

taken place in the country circulation since the passing of the Act of 1844.

We have observed elsewhere,* “When our figures are chronological facts, new and highly important truths are sometimes ascertained by merely observing if any specific facts recur at certain periods. When we have ascertained any uniformity in the occurrence of certain events, we call that uniformity a *LAW*. Thus those uniformities that were found to occur in regard to the deaths at various ages, are now called the *Laws of Mortality*. A few years ago a Committee of the House of Commons published the average *monthly* circulation for several years of the notes that had been issued respectively by the Bank of England, the Country banks, the Banks of Scotland, and the Banks of Ireland. We have deduced from these returns what we term ‘*The Laws of the Currency* :’—

“We will take the monthly returns of the circulation for the period that is past, that is, from the end of September, 1833, to the end of 1843, and endeavour, by observing their various revolutions, to discover if they are governed by any fixed causes or principles—to ascertain if those principles are uniform in their operation; and if we should discover that the revolutions of the currency are regulated by any uniform principles, we shall call those principles the *Laws of the Currency*.

“We shall begin with that portion of the currency which consists of notes issued by the Bank of England. On looking over the monthly circulation of the Bank of England, given in the Table, No. 34, in the Appendix to the report of 1840, we observe, that the circulation of the months in which the public dividends are paid is higher than in the subsequent months. Thus, the average circulation of January is higher than that of February or March. The circulation of April is higher than that of May or June. The circulation of July is higher than that of August or September. And the circulation of October is higher than that of November or December. This, then, we may consider as one law of the circulation of the Bank of England—that it ebbs and flows four times in the year, in consequence of the payment of the quarterly dividends. This law does not apply to any other bank, as all the government dividends are paid by the Bank of England.’

“On inspecting the monthly returns of the country circulation for the last ten years, we find that the highest amount is in the month of April: thence it descends, and arrives at the lowest point by the end of August, which is the lowest point in the year. It gradually increases to November; a slight reaction takes place in December; but it then advances until it reaches the highest point in April. The general law is, that the country circulation always makes one circuit in the year—being at its lowest point in August, and advancing to December, and continuing to advance to its highest point in the month of April, and then again descending to its lowest point in August.’

“In Scotland the lowest point of the circulation is in March, and the highest in November. The advance, however, between these

* *Logic for the Million*. See the Section on the application of *Logic to Statistics*.

two points is not uniform—for the highest of the intervening months is May, after which there is a slight reaction; but it increases again until November, and falls off in December. The reason of the great increase in May and November is, that these are the seasons of making payments. The interest due on mortgages is then settled, annuities are then paid, the country people usually take the interest on their deposit receipts, and the servants receive their wages. There are frequently large sums transferred by way of mortgage. It is the custom of Scotland to settle all transactions, large as well as small, by bank notes—not by cheques on bankers, as in London. It is remarkable that these monthly variations occur uniformly every year, while the amount of the circulation in the corresponding months of different years undergoes comparatively very little change.

“‘From what we have already said of the laws of the currency, those of our readers who are acquainted with Ireland, will be able to judge beforehand of the revolutions of her circulation. Being purely an agricultural country, the lowest points will of course be in August or September, immediately before the harvest, and the commencement of the cattle and bacon trade. Then it rises rapidly till it reaches its highest point in January, and then gradually declines. As an agricultural country, we should naturally expect that during the season of increase the circulation would expand most in the rural districts; and so we find that the circulation of the Bank of Ireland in Dublin, expands very moderately—that of her branches, which are located chiefly in large towns, expands more—while the circulation of the joint-stock banks, which are located in the agricultural districts, receives the largest increase. Again, the purchases and sales of agricultural produce are known to be in small amounts; and hence the notes of the smallest denomination receive the largest relative increase. The annual changes of the Irish circulation are governed chiefly by the produce of the harvest, and the prices of agricultural products. These are the laws of the circulation of Ireland.’”

13. The principles which these figures are supposed to have established, are thus stated in the evidence delivered before the Committee on Banks of Issue, in the year 1841 :—

“What is the general conclusion, which you propose to draw from the tables you have put in?”...“The general conclusion I would draw is, that the Bank of England is governed by certain laws which do not apply to the country circulation; that the country circulation of England is also governed by laws peculiar to itself; that the circulation of Ireland is also governed by laws peculiar to itself; that the circulation of Scotland is also governed by laws peculiar to itself; that those respective circulations are all governed by uniform laws, as is shown by their arriving at nearly the same point at the same period of the year; and, therefore, that you cannot introduce any system by which all those various circulations, governed by different laws, can be amalgamated into one system: that such a system would be at variance with itself, and would tend to destroy that beautiful system of country banking which now exists in this country—a system which has tended very much to the prosperity of this country, which, by receiving the surplus capital of different districts, and given out the capital for the encouragement of trade

calls forth all the natural resources of the country, and puts into motion the industry of the nation, and at the same time supplies a circulation which expands and contracts in each district according as it is required by the trade or agriculture of the district. Those expansions or contractions take place at different periods of the year in different districts; the circulation expands when the wants of trade require it, and when no longer wanted it again returns: and I think this beautiful system, in the language of the resolutions passed by the deputies from the joint-stock banks, 'has greatly promoted the agriculture, trade, mining, and general industry of the nation, and that equal advantages cannot be produced by one bank of issue.'"

14. Our first inquiry, then, shall be, Whether the fluctuations in the country circulation have been governed by the same laws since the passing of the Act of 1844 as they were before.

Upon inspection of Tables VI. and VII. in the Appendix, we find that the country circulation since 1844 has fluctuated in the same manner. We find, too, that the country circulation at these two periods (before and after 1844) conform to each other not only in their compliance with these laws, but also in their exceptions to these laws. The years 1836 and 1839 were years of panic, and as panics usually occur at the end of the year, the country circulation at the end of these years was less than in the preceding August. The year 1847 was also a year of panic, and here we find, too, that the circulation was lower in December than in August:—

	April.	August.	December.
	£	£	£
1836.....	12,403,634	11,658,494	11,228,594
1839.....	12,662,312	10,868,785	10,698,390
1847.....	8,024,168	7,133,525	5,939,007

In Table VII., we have stated the circulation of both the private and the joint-stock banks: and we find that each class of banks illustrates the same rule.—Both rise and fall at the same time, and are obviously regulated by similar laws.

To place these fluctuations in a more striking point of view, and at the same time to exhibit them in comparison with the fluctuations in the notes of the other banks, and with the amount of gold in the bank of England, we have constructed Table VIII., showing the change which occurred during the year 1845—the first year after the Act of 1844 came into operation. In this table we have represented the amount in circulation in the month of January—in each case by the number 100;—and the variations from this number in each subsequent month exhibit the monthly fluctuations in the amount of the circulation.

15. We will now proceed to a farther analysis of the returns before us. The country circulation is divided into two classes—that of the private banks and that of the joint-stock banks.—We will begin with the amounts which each class of banks is at present authorized to issue:—

divided into those within this circle and those without it. And we then find :—

	£
47 Private Banks, within the circle, are authorized to issue	1,303,318
120 Private Banks, without the circle, are authorized to issue	3,313,291
65 Joint-Stock Banks, without the circle, are authorized to issue....	3,325,857

Total Country Circulation..... 7,942,666

The average circulation of private banks within the circle is 27,730*l.*; and without the circle, 27,765*l.*

17. But we have referred only to the authorized circulation. We will now take a view of the actual circulation.—We will take that of the year 1853, and refer to the months of April, August, and December :—

	Authorized Circulation.	Actual Circulation.		
		April.	August.	December.
	£	£	£	£
47 Private Banks, } within the circle.... }	1,303,318	1,010,932	940,184	984,581
120 Private Banks, } without the circle }	3,313,291	2,852,361	2,708,110	2,849,172
65 Joint-Stock Banks	3,325,857	3,132,388	2,984,629	3,056,085

Taking the authorized circulation in each case to be represented by 100, the following will be the proportion of the actual circulation :—

		April.	August.	December.
47 Private Banks.....	100	77·5	72·1	75·5
120 Private Banks.....	100	86·8	80·8	84·5
65 Joint-Stock Banks	100	92·5	87·7	89·0

It will thus be seen, that, as compared with their respective authorized circulations, the actual circulation of the private banks is less than that of the joint-stock banks, and that of the private banks within the circle is less than that of the private banks without the circle. We cannot assign causes with so much certainty as we can state facts. Within the circle of sixty-five miles, the notes, which are all payable in London, may be sent there more rapidly for payment, and thus the circulation be reduced. Perchance, too, the non-issuing joint-stock banks may have withdrawn some of the business of the private bankers in that circle, and thus their circulation may have become still farther reduced, and that of the Bank of England increased. It is a mistake to suppose that a banker can keep out as many notes as he likes. If his rivals take from him any portion of his deposit or his discount business, his circulation necessarily becomes less. With regard to the private banks and the joint-stock banks beyond the circle, the difference may arise in part from the greater number of the private banks. Supposing, for illustration,

that each bank should be 1000*l.* below its authorized circulation, then the total deficiency of the private banks would be 120,000*l.*, while that of the joint-stock banks would be only 65,000*l.* Perhaps the joint-stock circulation, being issued at so many branches, may remain longer in circulation, or, perchance, the private bankers may purposely keep more within the prescribed limits in order to avoid the chance of incurring the penalties.

18. We will now classify the banks of issue according to the amounts they are respectively authorized to circulate, and we will begin with the private banks. These number 167 banks, who are authorized to issue 4,616,609*l.* But the larger portion are for comparatively small amounts. For 27 banks the authorized issue is under 10,000*l.* 52 banks have above 10,000*l.* and under 20,000*l.*; 31 banks are under 30,000*l.*; 20 banks are under 40,000*l.*; and 18 banks are under 50,000*l.* The total authorized circulation of these 148 banks is 3,241,476*l.* Of the remaining 19 banks, which have a circulation each of above 50,000*l.*, only two are above 100,000*l.* It is evident, therefore, that no very large portion of the country circulation is dependent on any one of these banks. It may be also stated that these 167 banks form, with their branches or agencies, 341 banking establishments.*

The joint-stock banks of issue are 65, which are authorized to issue to the extent of 3,325,857*l.* We have given a total of these banks in Table XII. It may be sufficient here to state that only five of these banks have an authorized circulation above 100,000*l.*; and these five banks have among them 147 branches.† It may also be added that every shareholder is answerable to the whole extent of his property for all the notes issued by the banks;—a circumstance which adds to the security of this portion of the country circulation.

19. We will now compare the circulation of the country banks with the country circulation of the Bank of England. We have been accustomed in former years to think of the Bank of England as a London bank, and to think of the country circulation as having the exclusive possession of the country. This is not now the case. In London the circulation consists exclusively of the notes of the Bank of England. Here there are 58 private and 23 joint-stock banking establishments that issue nothing else. Out of London, and within a circle of 65 miles, there are 100 private banking establishments that issue about a million of notes; but there are 23 private banking and 73 joint-stock banking establishments that issue only the notes of the Bank of England. Beyond 65 miles from London there is a circulation of above three millions issued by 241 private banking establishments; and about three millions more issued by 404 joint-stock banking establishments: but the 11 branches of the Bank of England, all located in this district, have probably a larger circulation than all these banks put together.‡ And besides this, a large portion of the notes issued by the parent establishment in London circulate in this district, or are found in the tills of its 647 banking establishments.

* See Table XI.

† Under the word "branches" we include sub-branches and agencies.

‡ See Table VI. We have no returns of the actual circulation of the branches of the Bank of England since the year 1847.

Banks in the same locality as a branch of the Bank of England, will keep in their tills some of the notes of the branch, because they can obtain gold for them without sending to London. But in places distant from the branches, the notes kept by bankers are those that have been issued in London.

And here we may notice a peculiarity of the branches of the Bank of England as banks of issue. They act to only a small extent as banks of deposit. In consequence of not allowing interest on deposits, they have not attracted any large amount from the country banks. From the returns laid before Parliament in the year 1848, it appears that the deposits in all the branch banks put together amounted to only about a million. Considering that the branches are established in large towns, and have been in existence for above twenty years, this amount is far from considerable. Hence the notes were chiefly issued by the branch in the way of discount. In London, the Bank of England is a bank of deposit as well as of discount; and when she restricts her discounts, her notes may be withdrawn by a withdrawal of her deposits. But the branches, having comparatively but small deposits, a restriction on their discounts immediately restricts the circulation of their notes. Hence, in seasons of pressure, a restriction of discounts by the Bank of England is felt severely in those places where she has branches, and in the year 1847 few places felt this more severely than Liverpool.* It may also happen that the Bank has to make advances to Government to pay the dividends; and to do this, it may be necessary to restrict the issues at the branches. Hence it would appear, that that portion of the country circulation which consists of Bank of England notes, may be more suddenly contracted than that which consists of notes of the country banks. In agricultural districts, or in places where there is but little demand for discount, the branches do not appear to have been profitable. Those at Exeter, Gloucester, and Norwich, have been withdrawn.

20. We will now compare the country circulation with the total circulation of the Bank of England. By the circulation of the Bank of England, I mean the amount of her notes which are in the hands of the public. In the year 1836, the Bank of England had above three-fifths of the circulation, and the country bankers about two-fifths. The average of the quarter ending June 1836, of the former was 17,184,000*l.*, and the latter 12,202,196*l.* From this time, the country circulation gradually declined, and in 1844, Sir Robert Peel fixed its maximum at 8,648,953*l.*, while that of the Bank of England was at the time 20,228,060*l.* Latterly, the country circulation has usually been about 7,000,000*l.*, while that of the Bank of England has varied from 20 to 23,000,000*l.*† The Bank of England has therefore at present three-fourths of the circulation, and the country banks one-fourth. The former, too, has the power of increase, while that of the latter is sure to decline. The act anticipated such a decline, and provides that if any of the then existing banks should cease to issue, the Bank of England might upon application receive from the Lords of the Treasury, permission to extend her issues upon securities to

* The circulation of the Liverpool branch was, on the 10th of April, 1847, 1,284,490*l.*; on the 24th of December, 1847, it was 973,360*l.*

† See Table XIV.

two-thirds of the sum withdrawn. Such a decline has taken place. Thirty-seven private banks, whose authorized issue amounted to 536,798*l.*, have ceased to issue; and seven joint-stock banks, whose authorized issue amounted to 169,589*l.*, have ceased to issue. This makes a total of 706,387*l.*, and consequently the Bank of England may upon application receive power to issue upon securities the additional sum of 470,925*l.*, making her total issue upon securities 14,470,925*l.* But as all the profit on the increased issue must go to the Government, the bank can have no inducement as a matter of profit to make the application.

This enactment about the profit on the increased issues has led to the question, whether it was the object of Sir Robert Peel that the issue of notes should ultimately be transferred exclusively to the Government. The gradual extinction of the country issues seems to be a step in that direction. When there is only one bank of issue in a country, it always becomes either directly or indirectly, an instrument of the Government. That he was desirous of only one bank of issue, seems pretty evident; that he wanted all the notes to be issued directly by the Government, is not so clear. The history of the currency, in almost every country, seems to show the evil of such a course. But we need not refer to history. We need only refer to the nation with whom we are at war. At present the Russian silver ruble is worth thirty-seven pence: the paper ruble is worth only ten pence halfpenny.

But the question naturally occurs,—If there be a falling off in the country circulation, why should the deficiency be supplied by the Bank of England? It seems to imply that if the same amount, or nearly the same amount, of notes are issued, it matters not at what place they are issued. But if a bank that has a circulation of 40,000*l.* stops payment, in a remote part of England, of what advantage is it to the traders or agriculturists of that district to know that the Bank of England may issue 30,000*l.* more notes in London? Why should not this increased power be given to the banks of the district? Is it desirable that the circulation of the Bank of England should be increased at the expense of the country circulation? Would it be for the advantage of the Bank of England herself, to be the only bank of issue in the country? Would not the Government in that case take the circulation, or at least the profit of the circulation, into its own hands? After the Government had enabled the Bank of England to exterminate her rivals, might not the same government place her ally under tribute? We all recollect the history of Rome.

It is obvious that an increased issue of notes by the Bank of England in London, will not meet the wants of a district in the country. The following extract from the evidence given before the Committee upon Banks of Issue, refers to the abolition of country notes, and it is applicable to the present case.

“What effects do you imagine would ensue when the measure had once been carried into effect?” “After the measure had once been carried into effect, the charges which the country bankers would be compelled to make upon that accommodation, which they would still have the power of affording, must be considerably increased.”

“Why?” “Because they would then get no profit upon the notes; at present they can afford to advance money at a low rate of interest when issued in their own notes, because of the profit upon those notes. If the country bankers had to bring the money from a distance and lend it to their customers, they must get a greater interest from their customers than they could get by employing it in London or elsewhere, and hence they must make, either in the form of interest, or in the form of commission, heavier charges than they made before.”

“The profit on the circulation being thus reduced, there would be a further effect by the limitation of banking establishments; for some of these establishments are so small, and established at remote places, that they would scarcely pay the expense of conducting them, unless for the profits of the circulation; and yet the withdrawal of those establishments, though connected with no great profit to the bank, would be attended with very considerable loss and inconvenience to the inhabitants of those places, because those banks act as receivers of the surplus capital, and hence they are useful to persons who have money to place in those banks; they act as discounters and granters of loans, and hence they are useful to the productive industry of the country; they are also useful as banks of remittance, for the purpose of making payments from those places elsewhere, and hence they are useful to traders; and those useful purposes, as far as many small banks are concerned, would be altogether annihilated, if those establishments did not issue their own notes.”

“In your opinion, the suppression of their circulation would render it necessary for them to charge a higher commission upon their operations, or a higher interest upon the loans which they make?” “With regard to those small establishments, I do not think any rate of commission could pay the expense; with regard to the larger establishments, you might make up for the deficiency of profit upon the circulation by an increased charge of commission; but with regard to small establishments, in remote places, the business is not sufficient, even with the charge of commission, to pay the expense without the profits of the circulation: annihilation of the circulation would lead to annihilation of the bank.”

21. We will now compare the issuing banks with the non-issuing banks. By a non-issuing bank, I mean a bank that does not issue its own notes. I believe all the non-issuing banks issue exclusively the notes of the Bank of England; they do not reissue even the notes of other banks that they receive from their customers, but forward them immediately for payment. There is no bank of issue in London except the Bank of England. Within 65 miles of London there are 47 private banks of issue, making with their branches or agencies 100 banking establishments; within this circle there is no joint-stock bank of issue; beyond 65 miles from London there are 120 private banks of issue, making with their branches or agencies 241 banking establishments, and 65 issuing joint-stock banks, making with their branches and agencies 404 banking establishments; thus the total number of issuing banking establishments in England and Wales, is 745.

The non-issuing banking establishments in England and Wales are as follows:—

In London	Private banks.....	58	
„	Joint-stock establishments	23	
	Total in London	—	81
Within 65 miles....	Private banking establishments.....	23	
„	Joint-stock banking establishments	73	
		—	96
Beyond 65 miles....	Private banking establishments.....	92	
„	Joint-stock banking establishments	86	
		—	178
Total in England and Wales		355	
Add issuing banking establishments		745	
Total banking establishments		1,100*	

The number of places that have banking establishments within 65 miles is 123, and beyond that distance 443; so that, including London, there are in England and Wales 567 places which unitedly are blessed with the advantages of eleven hundred banking establishments.

In the circle within 65 miles of London most of the non-issuing joint-stock banking establishments are branches of a joint-stock bank, the head-office of which is in London. The head-office of the other is at Aylesbury.

Beyond the 65 miles the head-offices of the non-issuing joint-stock banks are generally in places where there are branches of the Bank of England. And here, for the use of those who are not familiar with the history of our subject, it may be proper to repeat, that, previous to the act of 1844, the Bank of England had arranged with several joint-stock and private banks to discount for them at one per cent. less than their usual rate of interest, provided they would issue none but Bank of England notes. The act of 1844 suppressed these agreements, and at the same time prohibited these banks resuming their issue. But as a compensation they were entitled to receive annually one per cent. upon the amount of Bank of England notes they should keep in circulation. But this compensation is to cease on the 1st August, 1856. A schedule attached to the act gives the names of these banks. The list contains four Liverpool joint-stock banks and two private banks. It is, we presume, in consequence of these agreements, that we find many of the non-issuing joint-stock banks are located in places where the Bank of England has branches. The following are the localities of the non-issuing joint-stock banks:—6 in London, 5 in Liverpool, 3 in Manchester, 3 in Birmingham, 2 in Newcastle-on-Tyne, 1 in Ashton, Bolton, Stockport, Aylesbury, Bury, Plymouth, Swansea, Southampton, Portsmouth, Preston, and Sheffield, making a total of 30 banks. These banks have among them 148 branches—making a total of head-offices and branches of 178 banking establishments.

But here I must stop to notice the banks of Liverpool. Liverpool has no fewer than 12 banking establishments. These are, a branch of the Bank of England, four non-issuing private banks, one issuing joint-stock bank having branches throughout Wales but which does not issue notes in Liverpool, five non-issuing joint-stock banks, and a non-issuing branch of the Manchester and Liverpool District Bank,

* These are exclusive of the Bank of England and her eleven branches.

whose head-office is at Manchester. Out of London there is no place in England which has so many banks as Liverpool, nor is there any place which has so many joint-stock banks. Beside a branch of the Manchester and Liverpool District Bank, Liverpool has six independent joint-stock banks—Manchester has but three—Bristol has but two—Leeds has but two—Newcastle-on-Tyne has but two—but Liverpool can boast of six. None of the banks in Liverpool issue notes. We have already stated in part the cause of this. The trade of the Manchester and Liverpool district gave rise to a large number of bills. The bankers found it more to their interest to reissue the bills they had discounted than to issue their notes. Such was the case until the panic of 1825. The Bank of England then put down a branch at Liverpool, and soon afterwards joint-stock banks were established here. The branch bank offered, as we have stated, to discount for the joint-stock banks at one per cent. less than the rate charged to other parties, provided the banks would not issue notes nor reissue bills. This arrangement suited both parties; the branch bank got a circulation for its notes, the joint-stock banks (whose customers always wanted capital) got their bills discounted at a rate which compensated them for the want of issue either of notes or bills, while, at the same time, they obtained a sort of connexion with the Bank of England which at that time was of importance to young banking establishments. The Act of 1844 abolished these bargains between the branch banks and other banks; but at the same time they prohibited these banks from becoming banks of issue. Hence, all the banks of Liverpool have necessarily remained non-issuing banks, and they have shewn that banks may become wealthy and prosperous without having the power of issuing notes.

22. We will now compare the country circulation of England with the circulation of Scotland and Ireland.

On looking over the rows of figures denoting the circulation of England, Scotland, and Ireland, we may observe that since the Act of 1844 the laws of the currency as affecting their monthly variations are the same as before. In England the circulation is high in April and low in August. In Scotland it is low in March and high in November. In Ireland it is high in January and low in September. These have occurred with so much uniformity during the last ten years, as to show the operation of fixed causes.

At the same time the annual amount of the circulation shows the operation of local causes connected with the circumstances of the respective countries. In Ireland, in consequence of the famine, the circulation fell considerably below the authorized amount. The authorized issue formed upon the average of the year ending May 1, 1845, was 6,354,494*l*. In the year 1849 the actual issue was so low as 4,310,283*l*. In Scotland the authorized issue was 3,087,209*l*., but in consequence, it is presumed, of the briskness of trade, and the sums expended in constructing public works, the actual issue has usually been higher than the authorized amount.

This requires explanation. It may be asked, "How can a bank exceed its authorized issue? We reply, that not only are the laws of the currency different in Scotland and Ireland from what they are in England, but the laws of the State are also different. In England

should any bank exceed its authorized issue it would incur a penalty equal to the amount of the excess; but in Scotland and Ireland a bank may exceed its authorized issue, provided it has in its coffers an amount of gold equal to this excess.

But why this difference should exist is a question not easy to answer. It is said that Bank of England notes are not a legal tender in Scotland or Ireland, and hence they keep sovereigns. A very satisfactory reason as regards Scotland and Ireland. But why should not England have the power of issuing against Bank of England notes? It may be said that the English banks may issue Bank of England notes if they please, and thus reduce their own circulation. Precisely; and the banks of Ireland and Scotland may issue sovereigns if they please, and thus reduce their circulation. Why then should not the English banks be permitted to extend their circulation against Bank of England notes, in the same way as the banks of Scotland and of Ireland can extend their circulation against sovereigns? By this means the English bankers would be relieved from much anxiety in regard to the amounts of their notes in circulation, and rendered less liable to the heavy penalties they may now incur. It is true that in certain seasons the amount of country notes in circulation would be larger, and those of the Bank of England would be less. But then the notes of the Bank of England, instead of being in the hands of the public, would be in the tills of the bankers. This arrangement would place the country bankers of England upon the same footing as those of Scotland and Ireland.

But there is still another difference in the laws of 1844 and 1845, with reference to England, and to Scotland and Ireland. In Ireland and Scotland two banks of issue may unite, and the united bank have the united circulation. In England, if two banks of issue either of which has more than six partners should unite, the circulation of one or both of these banks would be lost. Unions of banks in either Ireland or Scotland are not very likely, nor perhaps desirable. The banks are large, have a respectable capital, and enjoy the public confidence. In England many banks are small and have small capitals. Union among them would be highly beneficial. Yet such is the waywardness of legislation, that the acts of 1844 and 1845 give facilities to unions in Ireland and Scotland, and restrict them in England.

There is another difference between England and Ireland. If any banks cease to issue, the Bank of England may extend her issue to two-thirds of the amount withdrawn. In a similar case, the Bank of Ireland may extend her issues to the whole amount thus withdrawn—Why this difference? we do not know.

23. But the most important circumstance in which the Banks of Scotland and Ireland differ from those of England, is in their power to issue notes under 5*l*. That portion of our currency in England which is under 5*l*. consists of gold and silver coin. And it may, under present circumstances, be worth while to inquire; Suppose we should have a protracted war, and be compelled to export our gold, either to subsidise foreign powers, or to maintain our fleets and armies abroad, what additional supply of gold could we obtain by means of issuing 1*l*. notes. I do not think we can get any certain

reply to this question; but there are some inquiries that may assist our reasonings on the subject. First, we may inquire, When the Bank of England issued small notes, what proportion did the notes under 5*l.* bear to the amount of the whole circulation? That establishment issued such notes from the year 1797 to the year 1821. We find that the highest proportion was in the years 1815 and 1816. On the last day of February in those years the circulation stood thus:—

	Notes under £5.	Notes of £5 and upward.	Total Circulation.
	£	£	£
1815.....	9,035,250	18,226,400	27,261,650
1816.....	9,001,400	18,012,220	27,013,620*

* See Table XV.

Here we find that the notes under 5*l.* were about half the amount of those of 5*l.* and upwards. This was in 1815, nearly forty years ago, and when the notes were issued only in London. Supposing, therefore, in round numbers that the Bank of England circulation is now 20,000,000*l.*, then in the same proportion she might maintain a circulation of 10,000,000*l.* of small notes. But we must remember that during the last forty years, the population, the trade, and the wealth of the nation have vastly increased. And, if pecuniary transactions were conducted in the same way, the notes in circulation must have increased in proportion. But, in consequence of the more general use of bills of exchange, the extension of banking accounts, the more frequent exchanges between country bankers, and the operations of the clearing-house in London, a smaller amount of bank notes is now necessary. All large transactions are now settled not by notes but by bills and cheques and transfers. But these banking facilities which diminish the demand for large notes, do not in the same proportion diminish the use of small notes. On the contrary, from the great increase in the labouring population, and the necessary increased extent of retail trade, the demand for small notes to pay wages and to settle small transactions, must, during the last forty years, have greatly increased. Seeing, then, that the demand for large notes has diminished, and the demand for small currency has increased, it seems reasonable to suppose that were the Bank of England now to issue small notes, the amount in circulation would bear a higher proportion to the large notes than was the case forty years ago.

I have already stated that we have no returns of the amount of the country circulation previous to the year 1833. But we have the number of notes stamped of different denominations, and we find that in years 1820 to 1825 the amount of notes stamped under 5*l.* varied from 37 to 50 per cent., making an average of 44 per cent. of the whole circulation.† This makes the small notes nearly equal in amount to the large ones. But here again it is probable that the small notes remained out longer than the large ones. A greater proportion of the large notes were probably in the banker's till, and a larger

† See Table XVI.

proportion of the small notes in the hands of the public. It seems probable, therefore, that the amount of small notes in active circulation was usually higher than the amount of large notes. And, if the Bank of England, whose issues were made only in London, and whose circulation was chiefly in London and Lancashire, maintained one-third of her circulation in small notes, it seems likely that the country banks, whose notes were issued in almost every town and village in the country, would maintain a much higher proportion than even one-half.

If we look to the present state of the circulation in Ireland and Scotland, we shall find that the small notes form the larger proportion, and the amount furnishes no confirmation of the doctrine that small notes diminish in wealthy countries. Scotland is a wealthier country than Ireland, yet has a larger proportion of small notes. And the north of Ireland is wealthier than the south, yet the banks of Belfast have a larger proportion of small notes than the banks of the south.*

From the former circulation of the Bank of England, the stamps issued to the country bankers, and the present circulation of Scotland and Ireland, we have then materials for forming an opinion as to the amount of small notes that might be maintained in circulation in England; and though we cannot fix the amount with that precision which the science of statistics requires, yet after putting the facts and reasonings together, we seem warranted in drawing the conclusion that the amount would not be less than thirty millions; and, consequently, we have the power, when necessary, of releasing from their present duties thirty millions of sovereigns, and employing them for national purposes elsewhere.

24. The Charter of the Bank of England will expire at the termination of twelve months' notice which may be given by the government, at any time after the first day of August next. It is not the object of this paper to examine any of the enactments of the Act of 1844 that have a reference to the Bank of England. But when the subject is brought under consideration, means should be employed to obtain some modification of those clauses that have a reference to the country banks. The country circulation should be preserved in its integrity—should be rendered capable of expansion, so as to meet the demands of a more numerous population, extended commerce, higher prices, and increased taxation—its issue should be allowed to be regulated by the demands of trade and agriculture in the respective districts in which the banks are established, and should be rendered as much as possible free from the operation of the foreign exchanges.

We find that in 1844, when the country circulation had greatly declined, we took the actual circulation of the then existing country notes, and made it a maximum circulation,—an arrangement which necessarily, from the fear of incurring penalties, reduced the amount of the actual circulation below the maximum. We apply this maximum to a circulation that fluctuated very much in different parts of the year. If, then, we keep below the maximum in April, we necessarily fall much lower in August. We divide this maximum

* See a paper on the Laws of the Currency in Ireland, read at Belfast in August, 1852, before the Statistical Section of the British Association, and published in the following Number of the "Statistical Journal." See also Tables XVII. and XVIII.

among 277 banks, and impose heavy penalties upon every one that shall exceed his portion of the maximum—a circumstance that tends to reduce still farther the actual circulation. No one is forbidden to reduce his issue as low as he pleases; and if he abandons it altogether, only two-thirds can be supplied, and that by permission of the government; and then only upon the application of a bank whose headquarters are in London, who is to get nothing by the operation, and whose issues are governed by laws which have been declared by the country bankers to be inapplicable to the operations of a local currency, and unsuitable to the requirements of domestic industry. This maximum must never be exceeded, while those banks that previously issued Bank of England notes, are not allowed to resume their own circulation, and no new bank of issue is allowed to be established. The result of this arrangement has been that an authorized issue in 1844 of 8,648,853*l.*, is now reduced to an authorised issue of 7,942,466*l.*, and that the actual circulation is generally below 7,000,000*l.*, and has been below 6,000,000*l.*; while every banker, in certain seasons of the year, has been compelled to watch the issue of his notes, lest he incur those enormous penalties which attend even the accidental violation of the Act.

In endeavouring to remove these inconveniences, we would be governed by a regard to the spirit of the Act of 1844, and attempt only to correct its practical defects. Among the modifications that may be suggested, perhaps the following may deserve a special consideration:—That the present maximum which applies to an average of four weeks should apply to an average of twelve months;—that all the banks which had formed agreements with the Bank of England, and whose compensation will cease in 1856, should then be allowed to circulate their own notes to the amount to which they had circulated Bank of England notes;—that the country circulation should not be less than the amount fixed by the Act of 1844, and that the deficiency of 706,387*l.*, which has since taken place, should be redistributed among the country banks, (whether at present issuing or non-issuing), in the district in which the deficiency has taken place;—that we adopt the enactments of Scotland and Ireland, by allowing the existing banks of issue to extend their issues beyond their fixed amount, provided they have gold, either at the head office or at any of the branches,* equal to the amount of the excess; and as Bank of England notes are a legal tender in England, and can be converted into gold upon demand, they might in this instance be placed upon an equality with gold;—that banks of issue not having more than six partners, be permitted to continue their fixed issue in the same locality, even should they increase their partners to a greater number than six; and that this regulation be made retrospective, so as to include all unions of banks of issue with other banks that have taken place since the year 1844; and further, that we adopt the law of Scotland and Ireland by allowing two or more banks of issue, whatever may be the number of their partners, to unite and to retain the

* The Act of 1845, in reference to Ireland, is imperfect in this respect. The Provincial Bank of Ireland, for instance, can issue notes against gold held in Dublin, Belfast, Limerick, and Cork, but not against gold held at any of the other branches. There seems to be no reason for this distinction.

united amount of issue of all the united banks. With reference to the issue of notes under 5*l.*, we think that is a question for the consideration of statesmen, and its adoption must depend upon the political circumstances of the country. As long as Australia can supply us with gold, sufficient to meet our foreign requirements, and to maintain our domestic currency, probably we had better remain as we are. At the same time it may be useful to know, that in case of necessity, we have here a magazine from which we may draw a large supply of the sinews of war.

APPENDIX.

TABLE I.

An Account of the Number of Licenses Issued to Country Bankers and the Number of Commissions of Bankruptcy Issued against Country Banks in each of the following Years.

Years.	Licenses.	Bankrupts.	Years.	Licenses.	Bankrupts.	Years.	Licenses.	Bankrupts.
1809....	702	4	1817....	752	3	1825....	797	37
1810....	782	20	1818....	765	3	1826....	809	43
1811....	789	4	1819....	787	13	1827....	668	8
1812....	825	17	1820....	769	4	1828....	672	3
1813....	922	8	1821....	781	10	1829....	677	3
1814....	940	27	1822....	776	9	1830....	671	14
1815....	916	25	1823....	779	9	1831....	641	....
1816....	831	37	1824....	788	10	1832....	636	....

TABLE II.

An Account of Stamp Duties Imposed on Country Notes in the Years 1804, 1808, and 1815.

					1804.	1808.	1815.
					<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Not exceeding £1	1 <i>s.</i>	.....			0 3	0 4	0 5
Exceeding £1	1 <i>s.</i>	not exceeding £2	2 <i>s.</i>	.....	0 6	0 8	0 10
"	2 2	"	5 5	.....	0 9	1 0	1 3
"	5 5	"	10 0	.....	....	....	1 9
"	5 5	"	20 0	.....	1 0	1 6	....
"	10 0	"	20 0	.....	....	....	2 0
"	20 0	"	30 0	.....	....	3 0	3 0
"	30 0	"	50 0	.....	....	4 6	5 0
"	50 0	"	100 0	.....	....	7 6	8 6

In the year 1823, after the establishment of branches of the Bank of England, country bankers were allowed, under the administration of the Duke of Wellington, to compound for the stamp duties on their notes and twenty-one-day bills on London, at the rate of seven shillings per cent. per annum—the rate then paid by the Bank of England. This was rendered virtually compulsorily by Lord Althorp's Act, passed in 1833. By this arrangement the bankers paid only on the amount of notes in circulation. When the notes were stamped, a portion was always in the banker's till, and paid the same duty as those in the hands of the public.

TABLE III.

An Account of the Number of Country Bank Notes of all Denominations Stamped in each Year from 1820 to 1825, inclusive.

Years.	Not exceeding £1 1s. 5d.	Not exceeding £2 2s. 10d.	Not exceeding £5 5s. 1s. 3d.	Not exceeding £10 1s. 9d.	Not exceeding £20 2s.	Not exceeding £30 3s.	Not exceeding £50 5s.	Not exceeding £100 8s. 6d.
1820	1,683,824	22,181	203,673	49,280	7,250	....	71	1,060
1821	2,214,623	20,180	254,839	51,226	10,738	50	417	1,600
1822	1,888,959	11,700	267,213	65,032	13,756	100	206	1,060
1823	1,969,758	25,110	273,184	74,232	9,573	199	292	1,392
1824	2,501,849	21,500	442,112	131,196	22,189	14	528	1,861
1825	3,172,477	39,511	557,946	158,233	46,392	12	381	1,845

TABLE IV.

An Account of the Number of Country Bank Notes of all Denominations Stamped in each Year from 1820 to 1825, inclusive, and the Total Amount which these Stamps might circulate.

Year.	Number.	Total Amount.
		£
1820	1,967,339	3,503,901
1821	2,553,673	4,438,548
1822	2,248,026	4,293,164
1823	2,353,740	4,479,448
1824	3,121,249	6,724,069
1825	3,976,797	8,755,309

This table is designed to assist in forming an estimate of the amount of notes in circulation. It has been conjectured that the amount in circulation in any one year might be equal to the total amount stamped in the three preceding years. But this is a rough mode of calculation, and besides, we know not how many of these notes might remain in the bankers' tills.

TABLE V.

Quarterly Returns of Country Bank Notes from the Year 1834 to 1841, under Lord Althorp's Act, being the first Return ever made of the Amount of Country Notes in circulation.

Quarters ending			Private Banks.	Joint-Stock Banks.	Total.
			£	£	£
1834.	March	29th	8,733,400	1,458,427	10,191,827
	June	28th	8,875,795	1,642,887	10,518,682
	September	27th	8,370,423	1,783,689	10,154,112
	December	28th	8,537,655	2,122,173	10,659,828
1835.	March	28th	8,231,206	2,188,954	10,420,160
	June	27th	8,455,114	2,484,687	10,939,801
	September	26th	7,912,587	2,508,036	10,420,623
	December	26th	8,334,863	2,799,551	11,134,414
1836.	March	26th	8,353,894	3,094,025	11,447,919
	June	25th	8,614,132	3,588,064	12,202,196
	September	24th	7,764,824	3,969,121	11,733,945
	December	31st	7,753,500	4,258,197	12,011,697
1837.	March	31st	7,275,784	3,755,279	11,031,063
	June	30th	7,187,673	3,684,764	10,872,000
	September	30th	6,701,996	3,440,053	10,142,049
	December	30th	7,043,470	3,826,665	10,870,135
1838.	March	31st	7,005,472	3,921,039	10,926,039
	June	30th	7,383,247	4,362,256	11,745,503
	September	30th	7,083,811	4,281,151	11,364,962
	December	31st	7,599,942	4,625,546	12,225,488
1839.	March	30th	7,642,104	4,617,363	12,259,467
	June	30th	7,610,708	4,665,110	12,275,818
	September	30th	6,917,607	4,167,313	11,084,970
	December	31st	7,251,678	4,170,767	11,422,445
1840.	March	30th	6,893,012	3,940,232	10,833,244
	June	30th	6,973,613	4,138,618	11,112,231
	September	30th	6,350,801	3,630,285	9,981,286
	December	31st	6,575,838	3,798,155	10,373,993
1841.	March	30th	6,322,579	3,644,258	9,966,837
	June	30th	6,444,395	3,807,055	10,251,450

TABLE VI.

The Circulation of the Country Banks and of the Branches of the Bank of England from 1834 to 1847, inclusive; designed to show that the diminution of the Country Circulation has been attended by an increase of the Branch Circulation.

Years.	Country Circulation.	Branch Circulation.	Years.	Country Circulation.	Branch Circulation.
	£	£		£	£
1834.....	10,286,847	3,214,655	1841.....	9,635,196	4,216,929
1835.....	10,700,466	3,253,754	1842.....	8,249,052	4,886,618
1836.....	11,770,132	3,587,768	1843.....	7,667,924	5,437,396
1837.....	10,609,067	3,836,163	1844.....	8,311,447	6,516,984
1838.....	11,424,809	3,994,828	1845.....	7,642,194	7,127,604
1839.....	11,715,527	4,087,005	1846.....	7,740,425	6,773,636
1840.....	10,457,058	4,006,987	1847.....	7,352,928	6,527,740

TABLE VII.

The Amount of the Deposits in all the London Joint Stock Banks on the 30th June, 1854, and the Amount of the Public and Private Deposits in the Bank of England during the Years 1831 and 1853; designed to show that the number of persons who keep banking accounts in London must have greatly increased.

	Paid up Capital.	Reserved Fund.	Deposits.
	£	£	£
London and Westminster Bank....	1,000,000	125,307	6,892,470
London Joint-Stock Bank	600,000	153,549	5,837,900
Union Bank	422,900	50,000	7,031,477
Commercial Bank	300,000	64,012	1,265,903
Royal British Bank.....	50,000	12,416	900,390
London and County Bank (in- cluding country branches) ...}	399,625	60,759	3,506,560
	2,772,525	466,043	25,434,700

Bank of England.	Public Deposits.	Private Deposits.
	£	£
Average during the year 1831	3,948,102	5,201,370
Average during the year 1853	5,681,892	12,348,514

TABLE VIII.

A Statement of the Average Circulation of Country Notes in England and Wales for the Months of April, August, and December, in each Year from 1834 to 1843, both inclusive; designed to show that in these years the circulation was at the highest point in April and its lowest in August. The Average Annual Amount is shown in Tables V. and XIV.

Year.	April.	August.	December.
	£	£	£
1834.....	10,655,743	9,968,039	10,171,117
1835.....	11,023,301	10,395,039	10,834,826
1836.....	12,403,634	11,658,494	11,228,594
1837.....	11,120,363	9,935,701	10,357,651
1838.....	11,800,591	11,174,749	11,763,397
1839.....	12,662,312	10,868,785	10,698,390
1840.....	11,482,057	9,797,017	9,749,102
1841.....	10,795,870	9,059,553	8,520,386
1842.....	8,643,089	7,973,718	7,782,734
1843.....	8,101,454	7,114,788	8,057,674

TABLE IX.

A Statement of the Average Circulation of Country Notes in England and Wales for the Months of April, August, and December, in each Year from 1844 to 1853, both inclusive; designed to show that since the passing of the Act of 1844 the Country Circulation is governed by the same laws as before, and also that the Private Bank Circulation and the Joint-Stock Bank Circulation are governed by similar laws.

	1844.	1845.	1846.	1847.	1848.
	£	£	£	£	£
Private	5,295,239	4,680,648	4,736,786	4,722,349	3,853,001
Joint-Stock	3,752,867	3,306,245	3,301,184	3,301,819	2,764,790
Total in April	9,048,106	7,986,893	8,037,970	8,024,168	6,617,791
Private	4,338,569	4,358,253	4,407,765	4,179,178	3,482,809
Joint-Stock	3,158,290	3,142,142	3,111,536	2,954,347	2,471,710
Total in August....	7,496,859	7,500,395	7,519,301	7,133,525	5,954,519
Private	4,429,454	4,505,823	4,525,855	3,528,631	3,506,674
Joint-Stock	3,056,862	3,162,742	3,138,321	2,410,376	2,567,700
Total in December	7,486,316	7,668,565	7,664,176	5,939,007	6,074,374
	1849.	1850.	1851.	1852.	1853.
	£	£	£	£	£
Private	3,686,399	3,702,463	3,590,340	3,578,917	3,863,293
Joint-Stock	2,798,230	2,856,075	2,880,410	2,908,732	3,132,388
Total in April	6,484,629	6,558,538	6,470,750	6,487,649	6,995,681
Private	3,327,758	3,412,011	3,219,275	3,406,593	3,648,294
Joint-Stock	2,457,526	2,611,505	2,569,918	2,764,442	2,984,629
Total in August....	5,785,284	6,023,516	5,789,193	6,171,035	6,632,923
Private	3,527,246	3,450,811	3,370,976	3,647,713	3,833,753
Joint-Stock	2,601,152	2,685,543	2,678,391	2,914,201	3,056,085
Total in December	6,128,398	6,136,354	6,049,367	6,561,914	6,889,838

TABLE X.

A Comparative View of the Variations in the Circulation in the United Kingdom for every Four Weeks during the Year 1845, as compared with the Four Weeks ending January the 4th, 1845; designed to show the laws of the currency in regard to those Banks respectively, and also to show that none of them conformed to the variations in the amount of Bullion.

Four weeks ending	England.			Scotland.	Ireland.		Total.	Bullion in the Bank of England.
	*20,301,000	4,429,454	3,056,862	3,159,450 Chartered, Private, and Joint-Stock Banks.	3,917,800 Bank of Ireland.	3,065,751 Private and Joint- Stock Banks.		
Jan. 4	100·00	100·00	100·00	100·00	100·00	100·00	100·00	£ 100·00
Feb. 1	106·50	103·34	102·65	97·18	101·69	101·63	104·14	99·73
March 1	103·84	99·59	101·08	94·52	101·88	102·12	102·00	103·70
„ 29	101·75	100·46	102·98	93·38	100·74	101·30	100·87	107·67
April 26	108·75	105·67	108·18	94·99	103·03	98·40	105·77	107·13
May 24	108·06	104·44	107·79	106·26	102·85	94·52	105·83	107·54
June 21	104·81	99·31	102·45	110·32	99·10	89·26	102·58	111·30
July 19	108·75	101·10	103·34	105·51	98·54	85·90	104·24	109·48
Aug. 16	111·16	100·00	102·22	104·55	96·40	84·24	104·86	105·72
Sept. 13	108·03	98·40	102·81	105·76	94·76	83·09	102·90	104·31
Oct. 11	107·83	102·93	108·34	108·51	99·74	95·46	105·51	100·81
Nov. 8	113·97	107·02	109·09	113·64	111·67	112·53	112·40	93·87
Dec. 6	108·44	103·16	105·40	120·41	112·44	108·03	108·96	89·84

* Amounts that are represented by 100·00 for January 4th, 1845.

TABLE XI.

Classification of the Issuing Private Banks: designed to show that a large proportion of these Banks issue individually to only a small amount—an element in the safety of the Circulation.

Number of Bank.	Classification.	Total Authorized Circulation.	Total Actual Circulation, December, 1853.	Average Circulation of each Bank.
	£	£	£	£
27	Under 10,000	179,304	135,685	5,025
52	„ 20,000	742,086	582,694	11,205
31	„ 30,000	781,791	627,673	20,247
20	„ 40,000	702,053	597,483	29,874
18	„ 50,000	836,242	719,705	39,983
7	„ 60,000	382,881	317,510	45,358
2	„ 70,000	137,908	105,485	52,742
4	„ 80,000	304,995	273,080	68,270
4	„ 90,000	336,727	285,017	71,254
2	Above 100,000	212,622	189,167	94,583

TABLE XII.

A Classification of the Issuing Joint-Stock Banks : designed to show that a large proportion of those Banks issue individually to only a small amount, and that those Five Banks that issue above £100,000 each, are large Banks, as is shown by the number of their Branches.

Number of Banks.	Number of Branches.	Authorized Issue under	Authorized Issue.	Actual Circulation last week in December, 1853.	Average Authorized Issue of each Bank.
		£	£	£	£
8	4	10,000	56,595	45,364	7,074
10	7	20,000	142,616	123,842	14,261
13	35	30,000	330,597	304,425	25,430
10	16	40,000	353,229	335,672	35,330
3	4	50,000	141,380	135,809	47,127
6	42	60,000	330,339	298,768	55,056
4	30	70,000	252,902	198,371	63,225
2	27	80,000	147,402	143,253	73,701
3	19	90,000	253,951	218,247	84,650
1	8	100,000	94,695	92,859	94,695
5	147	Above 100,000	1,222,151	1,139,760	244,430
65	339*		3,325,857	3,036,370	51,167

* Under the word "Branches," we include Sub-Branches and Agencies.

TABLE XIII.

The Joint-Stock Banks of Issue, and the number of their Branches respectively, with their respective authorized Circulation : designed to show that the average amount of their Circulation at each place of Issue is comparatively small.

Number of Banks.	Number of Branches.	Total Branches, including Head Office.	Authorized Issue.	Proportion to each Place of Issue.
17	None	17	312,313	18,371
12	1	24	283,168	11,799
7	2	21	302,668	14,413
8	3	32	298,414	9,325
2	4	10	87,359	8,736
3	5	18	91,006	5,056
1	6	7	86,060	12,294
4	8	36	373,475	10,374
2	9	20	169,377	8,469
2	10	22	120,769	5,489
1	11	12	83,535	6,761
1	12	13	122,532	9,426
2	15	32	119,672	3,740
1	19	20	76,162	3,808
1	23	24	356,976	14,874
1	95	96	442,371	4,608
65		404	3,325,857	8,232

TABLE XIV.

Average Amount of the Circulation of the Bank of England, and of the Private and Joint-Stock Banks, and of the Bullion in the Bank of England during the years 1842 to 1853, both inclusive, and also to the end of July, 1854 : designed to exhibit a comparison between them. (For the amount of the Circulation in previous years see Table V.)

Year.	Bank of England.	Private Banks.	Joint-Stock Banks.	Bullion.
	£	£	£	£
1842.....	18,440,153	5,297,499	3,008,295	8,101,307
1843.....	19,522,538	4,689,870	2,956,896	11,700,538
1844.....	21,215,000	4,786,881	3,388,509	15,333,923
1845.....	21,736,000	4,516,058	3,189,045	15,333,769
1846.....	21,248,230	4,554,549	3,170,828	14,680,461
1847.....	20,112,769	4,544,035	3,095,483	10,615,230
1848.....	19,071,857	3,658,867	2,604,422	13,765,642
1849.....	19,487,538	3,566,833	2,632,367	15,161,230
1850.....	20,624,615	3,584,236	2,739,212	16,597,153
1851.....	20,637,615	3,463,390	2,746,782	14,563,538
1852.....	23,159,000	3,556,836	2,862,096	20,586,076
1853.....	24,033,153	3,803,278	3,051,889	17,548,076
1854.....	22,464,857	3,836,231	3,065,502	14,474,285

TABLE XV.

The Total Circulation of the Bank of England, and the Circulation of Notes under £5, on the last day of February, in the years 1811 to 1821 inclusive, and the proportion per cent. between them : designed to assist in forming an opinion as to the amount of Notes under £5, which the Bank of England might now be able to keep in Circulation.

Year.	Total Circulation.	Circulation of Notes under £5.	Proportion per Cent.
	£	£	
1811.....	23,360,220	7,114,090	30·45
1812.....	23,408,320	7,457,030	31·85
1813.....	23,210,930	7,713,610	33·23
1814.....	24,801,080	8,345,540	33·65
1815.....	27,261,650	9,035,250	33·14
1816.....	27,013,620	9,001,400	33·32
1817.....	27,397,900	8,136,270	29·70
1818.....	27,770,970	7,400,680	26·65
1819.....	25,126,700	7,354,230	29·27
1820.....	23,484,110	6,689,130	28·49
1821.....	23,884,920	6,437,560	26·95

TABLE XVI.

The Total Amount of Country Bank Notes, and the Amount of those under £5 stamped in each year, from 1820 to 1825 inclusive, and the proportion per cent. between them: designed to assist in forming an opinion as to the amount of Notes under £5 which the Country Banks might now be able to keep in Circulation.

Year.	Total Amount Stamped.	Amount Stamped under £5.	Proportion per Cent.
	£	£	
1820.....	3,503,901	1,728,186	49·32
1821.....	4,438,548	2,254,983	50·80
1822.....	4,293,164	1,912,359	44·53
1823.....	4,479,448	2,019,978	45·09
1824.....	6,724,069	2,544,849	37·85
1825.....	8,755,309	3,251,499	37·13

TABLE XVII.

Average Circulation and Coin held by the Irish Banks during the Four Weeks ending Saturday the 24th day of December, 1853: designed to show the large proportion of Notes below £5 in circulation, and also that the Banks in the North of Ireland (the Belfast, Northern, and Ulster Banks,) issue a larger proportion of small Notes than those in the South (the National Bank of Ireland, Carrick, and Clonmel).

IRISH BANKS.					
Name of Bank.	Authorized Circulation.	Average Circulation during Four Weeks ending as above			Average Amount of Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
1 Bank of Ireland	3,738,428	1,843,725	1,252,175	3,095,900	771,257
2 Provincial Bank of } Ireland	927,667	336,207	639,211	975,418	233,719
3 Belfast Bank	281,611	58,311	444,936	503,247	285,428
4 Northern Bank	243,440	35,838	244,090	279,929	63,527
5 Ulster Bank.....	311,079	53,946	443,827	497,773	204,923
6 National Bank of } Ireland	761,757	384,771	636,908	1,021,679	393,220
7 Carrick - on - Suir } National Bank	24,084	11,085	13,428	24,513	5,555
8 Clonmel National } Bank	66,428	25,139	29,628	54,768	10,591
Totals	6,354,494	2,749,022	3,704,203	6,453,227	1,968,220
Totals of—					
3 Northern Banks, } Nos. 3, 4, & 5	836,130	148,095	1,132,853	1,280,949	553,878
3 Southern Banks, } Nos. 6, 7, & 8	852,269	420,995	679,964	1,100,960	409,366

TABLE XVIII.

Average Circulation and Coin held by the Scotch Banks during the Four Weeks ending Saturday the 24th day of December, 1853; designed to show the large proportion of Notes under £5, and also that the proportion is higher in Scotland than in Ireland.

Name of Bank.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amount of Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
					£
Bank of Scotland	300,485	136,834	279,730	416,564	171,661
Royal Bank of Scotland	183,000	71,531	127,175	198,706	51,477
British Linen Company	438,024	188,707	335,431	524,138	146,791
Commercial Bank of Scotland	374,880	169,908	356,839	526,747	239,730
National Bank of Scotland	297,024	111,602	240,404	352,007	107,624
Union Bank of Scotland and Banking Company in Aberdeen	415,690	168,840	359,147	527,987	162,267
Edinburgh and Glasgow Bank	136,657	64,772	103,511	168,283	53,798
Aberdeen Town and County Bank	70,133	35,529	75,405	110,934	46,881
North Scotland Banking Company	154,319	87,096	116,372	203,468	60,387
Dundee Banking Company	33,451	9,316	28,631	37,947	6,688
Eastern Bank of Scotland	33,636	16,557	27,054	43,611	11,245
Western Bank of Scotland	337,938	125,996	361,320	487,316	234,389
Clydesdale Banking Company	104,028	42,497	105,511	148,009	73,501
City of Glasgow Bank	72,921	69,008	99,289	168,297	105,901
Caledonian Banking Company	53,434	24,861	53,922	78,783	34,805
Perth Banking Company	38,656	18,657	35,129	53,786	23,906
Central Bank of Scotland	42,933	23,417	42,786	66,204	28,119
Totals	3,087,209	1,365,128	2,747,656	4,112,787	1,559,170